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Fred B. Ringel

*Attorneys for the Debtor and Debtor in
Possession*

Hearing Date: March 14, 2022

Hearing Time: 10:00 a.m.

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK**

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In re:

Chapter 11

BAYRIDGE LOK HOLDINGS LLC,

Case No.: 21-43128 (JMM)

Debtor.

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**SUPPLEMENTAL DECLARATION OF PEARL SCHWARTZ IN
FURTHER SUPPORT OF CONFIRMATION OF FIRST AMENDED
PLAN OF REORGANIZATION OF BAYRIDGE LOK HOLDINGS LLC**

Pearl Schwartz, declares under penalty of perjury:

1. I am the Trustee of The PJS 2021 Family Trust Trust, the managing member of Prospect Bayridge LLC, which in turn is the Managing Member of Bayridge Lok Holdings LLC, the debtor and debtor in possession herein ("Debtor"). In my capacity as trustee, I have been personally involved in the Debtor's restructuring efforts, including, among other things, the development, proposal and submission of the First Amended Plan of Reorganization of Bayridge LOK Holdings LLC dated March 8, 2022 ("Plan") ¹ (ECF Doc. 37).

2. I submit this declaration in further support of confirmation of the Plan.

Specifically, with respect to the negotiations for the sale of the real property located at 699 92nd Street, Brooklyn, New York 11228 and 9012 7th Avenue, Brooklyn, New York 11228 (“Property”), which is currently owned by Sunset LG Realty LLC (“Seller”). The Plan provides for the Debtor to close on the Sunset Contract and then close on the 699 Contract such that both closings will occur at the same time. The Sale Proceeds from the 699 Contract will be used by the Debtor and will fund the payments needed to assume, in accordance with section 365 of the Bankruptcy Code, the Sunset Contract and for the Debtor to acquire title to the Property. The Debtor will immediately thereafter transfer title to the Property under the Plan to the Purchaser in accordance with the terms of the 699 Contract. The cash proceeds from the sale under the 699 Contract as set forth Exhibit F to the Disclosure Statement, will be utilized to pay the Debtor’s creditors and fund payment of Administrative Expenses including United States Trustee fees and Fee Claims or reserves for such expenses as required under the Plan.

3. In furtherance of paragraph 30 of my Declaration in Support of Confirmation of First Amended Plan of Reorganization of Bayridge LOK Holdings LLC (ECF Doc. No. 44), I submit that the Plan and the arm’s-length negotiations among the parties in interest, their respective advisers and counsel, which led to the Plan’s formulation provides independent evidence of the Debtor’s good faith in proposing the Plan.

¹ Unless otherwise defined, capitalized terms used herein shall have the meanings ascribed to them {01142561.DOC;1 }

4. There are no connections or affiliations between the Debtor and Sunset. There are no connection or affiliations between the Debtor and 699.

5. I further submit that the parties engaged in substantial negotiations for over one month, negotiating a multitude of drafts of the 699 Contract, and reviewing each line by line until consensus was reached on the terms of the 699 Contract. These challenging and demanding negotiations are the epitome of an arm's length transaction which evidences the good faith necessary to confirm a plan of reorganization. Moreover, the absence of objections to the Debtor's Disclosure Statement and Plan further evidence the hard fought consensus and support a finding of good faith in connection with confirmation of the Plan and the sale transaction.

I declare under penalty of perjury under the laws of the United States, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct to the best of my knowledge information and belief.

Dated: March 14, 2022
New York, New York

Bayridge Lok Holdings LLC
By: Prospect Bayridge LLC, its sole member
By: The PJS 2021 Family Trust Trust

By: /s/ Pearl Schwartz
Pearl Schwartz as Trustee and
Managing Member of Prospect Bayridge LLC